

Los Angeles Daily News

Dead end for projects?

Transportation plans swiped by budget could get fatal hit from feds

By Harrison Sheppard
Sacramento Bureau

Sunday, January 18, 2004 -

SACRAMENTO -- Gov. Arnold Schwarzenegger's proposed budget for next year means cuts of at least \$100 million for transportation projects in Los Angeles County and could jeopardize billions of dollars in federal funding for Southern California, according to local officials and planning experts.

The region is already in jeopardy of having the federal government halt transportation projects later this year because of a failure to conform to clean-air standards, according to the Southern California Association of Governments -- and the governor's budget only makes that situation worse.

That is because it is coming on top of heavy cuts in transportation that have already been made in the past three years, said SCAG executive director Mark Pisano.

"This is a snowball that keeps getting larger and larger," Pisano said. "And this snowball could turn into an avalanche before it's all finished if we hit this conformity wall."

That means San Fernando Valley projects -- such as improving the Ventura-San Diego (101-405) freeways interchange and building rapid busways -- could be put on indefinite hold until the region's air quality begins improving.

Schwarzenegger has proposed cutting \$1 billion from the overall statewide transportation budget as part of addressing a \$14 billion state deficit in 2004-05. For Los Angeles County alone, that translates into more than \$100 million -- on top of another \$200 million that was already expected to be cut -- according to Metropolitan Transportation Authority officials.

In the past few years, the Southern California region has suffered about \$4.3 billion in transportation cuts, according to Pisano.

H.D. Palmer, a spokesman for Schwarzenegger's Department of Finance, noted that the governor did try to keep some money flowing for transportation by approving the issuing of \$800 million in GARVEE bonds -- a device formally known as a grant anticipation revenue vehicle -- which allow the state to borrow against future federal highway funds.

"If we didn't do that, we would have no transportation funds flowing in the '04-05 budget year," Palmer said. "But because of the governor and the administration wanting to still have money flowing to these projects, the budget reflects the sale of \$800 million in these bonds. So the money can still continue to go to transportation projects."

Los Angeles County officials, however, say they had already budgeted for the issuance of those GARVEE bonds, and they do not lessen the impact of the \$1 billion cut.

The Southern California region is working toward a goal of reducing air pollution by 2010. The region had been gradually getting off track from that plan as the budget cuts of the last year hit and will be in a state of "non-conformity" by June if nothing changes by then, Pisano said.

According to the South Coast Air Quality Management District, one of the goals for the region is to have only a single smoggy day each year by 2010. Last year, according to AQMD spokesman Sam Atwood, there were more than 60. Transportation improvements are just one component of that overall reduction, which also includes things such as emissions from paint solvents and other chemicals.

The federal government is expected to provide \$8 billion for transportation funding over the next six years, Pisano said. But if the region gets out of conformity on its air-quality plan, those funds will stop flowing, and even local projects that don't depend on federal funding will have to stop, as well.

Under federal law, those projects which most directly improve air quality will be allowed to continue for one additional year, but any capacity-enhancing projects such as the 101-405 interchange will be brought to a halt unless they are already under construction.

"Under a conformity lapse in the Los Angeles metropolitan area, California would continue to receive all of its share of federal transportation money," said Bob O'Loughlin, an air-quality specialist in the Federal Highway Administration's San Francisco office. "But certain projects in the metropolitan area would not be approved by the Federal Highway Administration and the Federal Transit Administration under such a conformity lapse."

A similar situation occurred in the Atlanta region during the mid- to late 1990s and federal funding for transportation was halted for two years, putting a stop to dozens of projects. The region is still trying to catch up now, according to Atlanta officials.

Federal highway officials contend Georgia lost no funds because of this and say Atlanta would have not had funds held up had the region presented a plan that, overall, met federal air quality standards. Even if Southern California has to scale back projects that positively affect air quality, added the officials, the region will still receive all the money due it, though only for those individual projects that improve standards.

A spokesman for Caltrans said it is now SCAG's responsibility to reformulate its transportation plans so that only those projects that improve air quality are given top priority.

"Everyone knew that available resources for transportation projects were, in fact, drying up," said Caltrans spokesman Dennis Trujillo. "It's incumbent on SCAG to go back, reprioritize their projects and produce a plan that keeps in conformity."

Pisano, however, said that is simply not possible. There are not enough funds to do all of the projects that would keep the region in conformity, he said, short of taking money from basic highway maintenance and repair.

Assemblyman Keith Richman, R-Granada Hills, said he and other legislators will look for ways to restore some of those funds.

"We are literally faced with a situation where all proposed projects for road and highway improvements will come to a halt," Richman said. "People will be spending more time in their cars commuting, and goods and services are going to be even more difficult to provide."

Richman had authored a statewide measure on the recall ballot last October that would have increased funding for infrastructure projects, but voters rejected it.

If not for the looming federal problem, MTA officials said they could protect top priority projects, such as the 101-405 interchange, from the governor's cuts by coming up with funding through other sources, such as borrowing against future local sales tax revenues.

But that means second-tier projects that were slated for funding through that borrowing would have to be delayed. Those include smaller projects, such as \$9 million for improving the 101 Freeway's Van Nuys Boulevard offramp and \$5 million for widening Burbank Boulevard between Lankershim Boulevard and Cleon Avenue, according to the MTA.

And that doesn't account for the shock waves that could occur if the federal government steps in.

Los Angeles County transportation officials said they are giving top priority to projects that improve the region's air quality, such as a planned east-west Rapid busway across the San Fernando Valley.

"MTA is doing its best to keep transportation control measures -- projects that improve air quality -- on schedule," said David Yale, MTA's director of regional programming. "With the magnitude of this problem, there's no way we can keep them all on schedule."

Allen Lawrence, a member of the California Transportation Commission and a Canoga Park businessman, said he is very concerned about the governor's proposed cuts, not only for their effect on traffic congestion but also on the economy.

"I'm concerned we're not putting money on the street and helping the economy by creating jobs," said Lawrence, who was appointed to the commission by former Gov. Gray Davis. "On the other hand, the governor has made the decision he's going to take the tack of cutting expenses and trying to meet a very difficult financial situation in the state, and he's doing the best he can."

Staff Writers David M. Drucker and Lisa Mascaro contributed to this report.

Harrison Sheppard, (916)446-6723 harrison.sheppard@dailynews.com